

**MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE**
Wednesday, October 15, 2014 – 2:30 p.m. – Room 210 Senate Building

Members Present:

Sen. Curtis S. Bramble, Senate Chair
Rep. James A. Dunnigan, House Chair
Sen. J. Stuart Adams
Sen. Gene Davis
Sen. Deidre Henderson
Sen. Karen Mayne
Rep. Jacob L. Anderegg
Rep. Jim Bird
Rep. Derek E. Brown
Rep. Susan Duckworth
Rep. Gage Froerer
Rep. Eric K. Hutchings
Rep. Dana L. Layton
Rep. Mike K. McKell
Rep. Jon E. Stanard

Rep. Mark A. Wheatley
Rep. Larry B. Wiley

Members Absent:

Rep. Johnny Anderson
Rep. Dixon M. Pitcher
Rep. Marc K. Roberts
Rep. Brad R. Wilson

Staff Present:

Mr. Bryant Howe, Policy Analyst
Ms. Megan Bolin, Policy Analyst
Ms. Christine Gilbert, Associate General Counsel
Ms. Patricia Owen, Associate General Counsel
Ms. Kristen C. Ricks, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Bramble called the meeting to order at 3:06 p.m.

Chair Bramble introduced and welcomed Ms. Bolin as the new Policy Analyst for the committee.

MOTION: Rep. Stanard moved to approve the minutes of the September 17, 2014, meeting. The motion passed unanimously with Sen. Adams, Sen. Davis, and Sen. Mayne absent for the vote.

MOTION: Rep. Dunnigan moved to open a committee bill file for the Department of Financial Institutions to include: (1) language that enacts a new chapter in Utah Code Title 7 addressing "Money Transmitters," (2) language pertaining to auto title lenders' annual renewal date, (3) language pertaining to independent escrows' annual renewal date, and (3) other items the department may include. The motion passed with Sen. Adams, Sen. Davis, Sen. Mayne, and Rep. McKell absent for the vote.

Ms. Tanji Northrup, Assistant Commissioner, Utah Insurance Department, and Ms. Doreen Espinoza, Utah Health Information Network, presented "House Bill 323 Rx Prior Authorization – Legislative Report November 2014" and said that the Utah Health Information Network has assisted the Utah Insurance Department in completing this study as required by Utah Code Annotated 31A-22-614.7. Ms. Espinoza said the focus group completed the following activities:

- reviewed other state forms and initiatives;
- defined drug categories;
- created drug category standardized forms; and
- created draft standardized forms.

She listed possible solutions to standardize drug forms and discussed the impact demographic standardization would have. Ms. Espinoza said this report completes what was required of the department by statute.

Ms. Northrup announced that as of October 15, 2014, the Utah Insurance Department's transparency website was live with a comparison tool for individual insurance rates. She said healthcare insurer quality information would also be available online.

Mr. Todd Kiser, Commissioner, Utah Insurance Department, distributed and discussed "Insurance Department Full Annual Report" regarding workers' compensation. Commissioner Kiser shared the cost and availability of workers' compensation within the state. He reported results from monitoring the residual marketplace and highlighted the list of top 10 insurers in Utah that hold the largest workers' compensation market. He responded to questions from the committee.

2. Insurance Modifications

Rep. Dunnigan gave an overview of draft legislation "Insurance Modifications" (2015FL-0279/009).

Mr. Kiser explained that passage of draft legislation "Insurance Modifications" would be important to help the department maintain its standards. He outlined significant modifications in the bill and responded to questions from the committee.

MOTION: Rep. Fawson moved to amend the bill as follows:

1. *Page 44, Lines 1351 through 1353:*

1351 (e) An appropriation from the Captive Insurance Restricted Account is nonlapsing,
1352 except that at the end of each fiscal year, money received by the commissioner in excess of
1353 [\$1,250,000] { ~~\$1,850,000~~ } the following, shall be treated as free revenue in the General Fund{-} :
(i) for fiscal year 2015-2016, in excess of \$1,250,000;
(ii) for fiscal year 2016-2017, in excess of \$1,250,000; and
(iii) for fiscal year 2017-2018 and subsequent fiscal years, in excess of \$1,850,000.

2. *Page 63, Lines 1923 through 1925:*

1923 {~~(f)~~} (e) An insurer or other person who fails to make any filing required by this section, and
1924 who fails to demonstrate a good faith effort to comply with a filing requirement, is subject to a
1925 fine of not more than \$50,000 notwithstanding Section 31A-2-308.

3. *Page 142, Lines 4392 through 4394:*

4392 Section 55. Effective date.

4393 This bill takes effect on May 12, 2015, except that the amendments in this bill to
4394 Section 31A-3-304 (Effective 07/01/15) take effect on July 1, {~~2017~~} **2015**.

The motion passed unanimously with Sen. Adams, Sen. Davis, Sen. Mayne, and Rep. McKell absent for the vote.

MOTION: Rep. Fawson moved to adopt draft legislation "Insurance Modifications." The motion passed unanimously with Sen. Adams, Sen. Davis, Sen. Mayne, and Rep. McKell absent for the vote.

3. Insurance Licensee Amendments

Rep. Stanard reviewed draft legislation "Insurance Licensee Amendments" (2015FL-0278/011). He said the legislation modifies the requirement that health insurance agents complete commission disclosure forms for their customers. He said that there is no process through the *healthcare.gov* website to complete the disclosures and therefore health insurance agents are not able to comply. The bill removes the disclosure requirement for individual plans and small group plans. He responded to questions from the committee.

MOTION: Rep. Stanard moved to amend the bill as follows:

Page 3 Line 67 and 68:

67 (A) the amount [~~or extent~~] of [the] **any known** noncommission compensation; and
68 (B) **the type and amount, if known, of** any potential and contingent noncommission
 compensation; and

The motion passed unanimously with Sen. Adams, Sen. Davis, Sen. Mayne, and Rep. McKell absent for the vote.

MOTION: Rep. Stanard moved to amend the bill as follows:

Page 3 Line 90 and 91:

90 (A) the amount [~~or extent~~] of [the] **any known** noncommission compensation [~~and~~];
91 (B) **the type and amount, if known, of** any potential and contingent noncommission
 compensation; and

The motion passed unanimously with Sen. Adams, Sen. Mayne, and Rep. McKell absent for the vote.

MOTION: Rep. Fawson moved to adopt as a committee bill draft legislation "Insurance Licensee Amendments" as amended. The motion passed unanimously with Sen. Adams, Sen. Mayne, and Rep. McKell absent for the vote.

4. State Fire Code Act Amendments

Mr. Coy Porter, State Fire Marshal, Utah Department of Public Safety, discussed draft legislation "Fire Code Amendments" (2015FL-0471/003) and said it contains small technical corrections dealing with requirements for carbon monoxide detectors in schools.

MOTION: Rep. Standard moved to adopt as a committee bill draft legislation "Fire Code Amendments." The motion passed unanimously with Sen. Adams, Sen. Davis, and Sen. Henderson absent for the vote.

5. Liquefied Petroleum Gas Board Amendments

Mr. Porter discussed draft legislation "Liquefied Petroleum Gas Board Amendments" (2015FL-0472/002) and said it would allow his department to notify licensees of board vacancies by email instead of strictly by registered or certified United States mail. Mr. Porter stated this addition would allow his office to be environmentally conscious and save money. He responded to questions from the committee.

MOTION: Rep. Wiley moved to adopt as a committee bill draft legislation "Liquefied Petroleum Gas Board Amendments." The motion passed unanimously with Sen. Adams, Sen. Davis, Sen. Henderson, Rep. Froerer, and Rep. Wheatley absent for the vote.

6. State Construction Code Amendments

Mr. Justin Naser, Chair, Uniform Building Code Commission, discussed draft legislation "State Construction Code Amendments" (2015FL-0473/004). Mr. Naser also distributed and discussed "Recommended Code and Amendment Changes" and said changes in the proposed legislation include:

- updating the 2011 National Electrical Code;
- updating the International Plumbing Code language;
- adding an amendment that would allow Farmington City to relax its sprinkler system requirements in residences; and
- adding an amendment that would update references in Sandy City's Fire Code from 2009 to 2012.

He responded to questions from the committee.

Mr. Ted Black, Chief Deputy, Utah State Fire Marshal's Office, responded to questions regarding the inclusion of specific language in draft legislation "State Construction Code Amendments" for Farmington City. He said the city decided to remove the prescriptive rule that requires sprinklers. Mr. Black explained that Farmington City is addressing this issue at a state level as opposed to a city level, because the Construction Code is part of the Utah Code. He remarked that the city has already removed the necessary city ordinances, but the Utah Code still needs to be amended. He responded to questions from the committee.

Rep. Dunnigan recognized that if the committee chose to adopt the amendments within draft legislation "State Construction Code Amendments" and the amendments imposed a burden, the committee should know what the cost would be to affected parties.

MOTION: Rep. Anderegge moved to proceed to the next agenda item.

SUBSTITUTE MOTION: Sen. Adams moved to request that a representative from Farmington City, the Uniform Building Code Commission, and the Fire Advisory Code Analysis Committee present the committee with information regarding the impact and cost to adopt the new standard and give their recommendations.

The substitute motion passed unanimously with Sen. Davis, Sen. Henderson, Rep. Bird, Rep. Fawson, Rep. Hutchings, and Rep. Layton absent for the vote.

Ms. Vicki Bennett, Sustainability Director, Salt Lake City Corporation, discussed "Salt Lake City Ordinance 21A.44.050 Transportation Demand Management." She said the ordinance requires electrical vehicle charging stations to be installed in certain new parking structures within Salt Lake City. Ms. Bennett discussed the growth trends of electric vehicles and said the city has had numerous requests from citizens to provide vehicle charging stations. She said the city's biggest motivation to require charging stations is to improve air quality. Ms. Bennett detailed under what circumstances the ordinance requires charging stations to be included in certain new parking lots and parking structures and said it would be a minor addition of cost to developers. She responded to questions from the committee.

Mr. Howe referenced "Number of Registered Electric Vehicles and All Registered Motor Vehicles" and said that as of June 1, 2014, there were 464 registered electric vehicles in Salt Lake County.

7. Bail Bond Agents

This item was not heard by the committee.

8. Other Items/Adjourn

MOTION: Rep. Anderegg moved to adjourn the meeting. The motion passed unanimously with Sen. Davis, Sen. Henderson, Rep. Bird, Rep. Fawson, and Rep. Layton absent for the vote.

Chair Bramble adjourned the meeting at 4:44 p.m.